8. Notes

(1) Business and Other Risks

Listed below are the principal business and other risks affecting the Fujitsu Group (Fujitsu Limited and its consolidated subsidiaries) that we believe may influence investors' decisions. With a view to proactively disclosing information to investors, we have also included items that may not necessarily have significant bearing on such decisions. We are aware of and have evaluated these risks and are making efforts to prevent, mitigate, transfer, and retain potential risks, and immediately confront risks should they occur. Among the risks listed below are some items related to future developments, but the list only includes items that the Group deems necessary to publicly disclose as of the date of submission of these materials (April 30, 2010).

1. Economic and Financial Market Trends

Economic and financial market trends have an impact on the Group's business results, financial base and other aspects of its operations. Examples of such risks are listed below.

1) Economic Trends in Key Markets

The Fujitsu Group provides ICT products and services, telecommunications infrastructure equipment, as well as semiconductors and other components, to corporate and institutional clients and consumers in every region of the globe. Hence, sales and income generated from these operations are greatly affected by economic conditions in each respective market. The economic trends in our key markets, namely Japan, North America, Europe, and Asia (including China), can significantly impact Fujitsu Group operations.

2) High-tech Market Volatility

The ICT sector is periodically subject to dramatic changes in the balance of supply and demand that exceed the scope of normal cyclical market variations. This tendency is particularly evident with regard to semiconductors, PCs, and other general-purpose products. The Fujitsu Group gives ample consideration to market cycles and volatility when deciding to develop new global technology solutions and other businesses, launch new products, initiate volume production, or scale back production, among other actions. Nonetheless, we may fail to accurately forecast market changes, or changes in market conditions could exceed our forecasts. Accordingly, there is a risk that we may be unable to recoup investment costs, as well as the risk of opportunity losses. Further, the Group continuously implements structural reforms in a bid to respond to market changes. However, drastic market changes could force us to enact structural reforms on a far greater scale than initially expected, resulting in a temporary increase in related expenses.

3) Exchange Rates

The Fujitsu Group is expanding its business outside Japan. In addition, the Group imports a substantial amount of components and materials and exports various products. Therefore, sudden fluctuations in exchange rates and other factors could have a significant impact on sales and income. In addition, with respect to assets held by the Group outside Japan, as well as liabilities, there is the possibility that exchange rate fluctuations could lead to depreciation of assets and/or appreciation of liabilities.

4) Interest Rates

The Fujitsu Group has interest-bearing loans which include debt directly impacted by interest rate fluctuations. Consequently, rising interest rates could increase borrowing costs.

5) Capital Markets

Stock market trends in and outside Japan have a substantial effect on the value of Group stockholdings in other companies and the management of pension assets. Weak stock market performance could thus force us to incur losses on the devaluation of marketable securities held or a reduction in pension assets, exposing the Group to the risk of higher valuation losses or additional pension obligations.

2. Customers

Fujitsu Group operations are highly influenced by the business trends of strategic key customers. Examples of potential risks are described below.

1) Changes in Customers’ ICT Investment Trends

A growing proportion of our technology solutions and other businesses is with telecommunications carriers, financial services institutions, and large manufacturers. The business environment within these industries, including shifting market trends and structural reforms, could lead to changes in customers’ IT investment trends, having a significant impact on Group sales and profitability. In addition, the trends in sales of our customers’ products and services have a large impact on the demand for and prices of the Group’s products and services. Accordingly, soft demand and falling prices for customers’ products and services, a decline in the size of customers’ businesses, or customers’ reduced market share, could negatively impact Group sales and earnings.

Alongside corporate clients, national and local governments represent another important customer base for the Fujitsu Group. In the UK, for example, government-related projects are an especially important part of our business. Accordingly, changes in the approach to e-government and other national-level ICT utilization policies being promoted in Japan and elsewhere could impact sales and profitability.

2) Ability to Maintain Long-Term Relationships with Customers

The Fujitsu Group is creating long-lasting ties with its customers, striving to be a valued and trusted business partner and provide solutions across the full IT system lifecycle. Accordingly, business stability hinges on maintaining relations with customers. An inability to maintain trusted relationships with such customers, or the failure to renew contracts with them, could therefore affect sales and profitability.

3. Competitors/Industry

The ICT sector is characterized by intense competition and fast-paced technological innovation. Events within the industry or actions by competitors could therefore have a substantial impact on our business results. Examples of such potential risks are listed below.

1) Price Competition

Changes in market environments, intensifying competition, technological innovation and other factors may cause prices for products and services to decline. Anticipating such technology- and competition-driven price erosion, we are pursuing a variety of measures to reduce costs, including the introduction of Toyota Production System reforms, the industrialization of services and standardization, and software modularization, as well as efforts to expand sales of new products and services. Despite these steps, the Group still faces the risk of larger-than-expected declines in prices, as well as being unable to achieve cost reductions or sales growth due to fluctuations in procurement costs. Any of these risks could negatively impact Group sales and profitability.

2) Competition from New Market Entrants and Others

In addition to challenges posed by existing industry peers, competition from new market entrants continues to intensify in the ICT sector. Today, new entrants continue to emerge in market areas where the Fujitsu Group has a competitive advantage, thus entailing the risk that we may lose our competitive edge, or fail to secure a clear competitive advantage in future business operations.

3) Competition in Technology Development

Technological advancement in the ICT sector occurs at an extremely fast pace, leading to rapid turnover in new products and technologies. In this context, remaining competitive requires the continuous development of state-of-the-art technology. While the Fujitsu Group does its utmost to maintain highly competitive technologies, a loss in competitiveness versus other companies in the race to develop innovative technologies could lead to a decline in the Group’s market share and profitability, which would negatively impact sales and earnings. Further, sales and profitability could be affected by the development of groundbreaking technologies and services by competitors that would severely compromise the value of the Group’s products and services. Additionally, there is also the risk of an adverse effect on sales and profitability as a result of the time it takes to implement mass-production chip technologies for semiconductors, such as in solving technological issues concerning cutting-edge process development technology.

4. Suppliers, Alliances, etc.

In the course of its operations, the Fujitsu Group conducts business with a wide range of suppliers and alliance partners. Accordingly, any significant changes in relationships with these and other business partners could affect the Group’s business.

1) Procurement
The Fujitsu Group utilizes sophisticated technologies to provide a range of products and services. There is therefore a risk that we may encounter difficulties in procuring a stable supply of certain key components or raw materials, or in cases where regular supply channels are unavailable, that we may be unable to secure alternative procurement sources. There is also the risk that the Group may be unable to sufficiently procure certain parts or raw materials in the large volumes required. Moreover, natural disasters, accidents and other events, as well as any deterioration in business conditions at suppliers, could hinder the ability of business partners to provide the Group with a stable supply of required components or raw materials. These and other events could cause delays in the provision of products and services, resulting in postponement of deliveries to customers and opportunity losses. In respect to procurement of components and other materials, foreign exchange rate fluctuations, tight supply and demand conditions, and other pressures could drive procurement costs higher than initial estimates, leading to diminished returns on products and services, as well as lower sales due to the higher prices. Additionally, while we make every effort to ensure the quality of procured components, we cannot guarantee that all components purchased will be free of defects. The discovery of such issues could result in processing delays, as well as defective products, opportunity losses, repair costs, and disposal costs for defective goods, plus the potential obligation to pay damages to customers.

2) Collaborations, Alliances and Technology Licensing
To enhance competitiveness, the Fujitsu Group works with a large number of companies through technology collaborations, joint ventures and other means, a practice that we intend to actively continue in the future. If, however, as a result of managerial, financial, or other causes, it becomes difficult to establish or maintain such collaborative ties or to gain sufficient results from them, the Group's business could be adversely affected. Moreover, many of our products and services employ other companies' patents, technologies, software, and trademarks with the consent of their owners. However, there is no guarantee that other companies will continue to grant or license the right to use their property under terms acceptable to the Fujitsu Group.

5. Public Regulations, Public Policy, and Tax Matters
The business operations of the Fujitsu Group are global in scope, and are therefore impacted by a variety of public regulations, public policies, tax laws and other such factors in all countries where the Group does business. Specifically, wherever it operates, the Group must comply with a variety of government policies, regulations, such as authorizations for business or investment, import/export regulations and restrictions, as well as laws pertaining to antimonopoly policies, intellectual property rights, consumers, the environment and recycling, labor conditions, subcontracting, and taxation. Earnings might be affected by increased compliance costs associated with measures to make stricter or otherwise revise such policies, laws and regulations. We also provide solutions in certain fields and business domains such as healthcare, communications, and construction that are subject to other public regulations, meaning that regulatory trends in these sectors may potentially impact the Group's business.

6. Other Operational Risks
The Fujitsu Group makes every effort to eliminate known risks but can offer no guarantee of its ability to always achieve every desired outcome in the course of executing business operations. Some of the specific risks faced in this respect are detailed below.

1) Deficiencies or Flaws in Products and Services
The Fujitsu Group builds and supports the infrastructure behind the modern network society, which has become increasingly global and sophisticated. In accordance with our corporate philosophy the Fujitsu Way, quality is one of our most important values, and it underpins the trust that customers and society place in us.
We are committed to improving quality at the design and development stages as well as in manufacturing. We are also promoting strict quality control when purchasing components from external suppliers. These efforts notwithstanding, it is impossible to totally eliminate the possibility of deficiencies or flaws occurring in products, including software. While the Group is also promoting software modularization, standardization of development work, and enhanced security measures in order to improve the quality of system development and other services in the technology solutions business, the possibility of defects arising cannot be excluded. With respect to systems that play a critical role in supporting social infrastructure, following the incidents involving system problems at the Tokyo Stock Exchange in

November 2005, we have been checking for any potential problems in these systems, including the operating environment, software and hardware, in cooperation with our customers. In addition, we have continuously made improvements to the quality, contracts, and related rules in order to ensure the stable operation of social infrastructure systems. We cannot, however, entirely eliminate the possibility of deficiencies or flaws. In the event that such deficiencies or flaws occur in the products or services, the Group may have to initiate product recalls or repairs, engage in system recovery work, pay damages to customers or suffer opportunity losses, all of which would negatively impact Group sales and profitability.

2) Project Management

Due to such factors as the increasing scale and sophistication of systems and more rigorous demands from customers, as well as the advance of open system environments, system development work is becoming increasingly complex. At the same time, greater competition is leading to increasingly intense pricing pressures. To deal with this situation and prevent incidences of delayed delivery and loss-generating projects, we have been revising our approach to making contracts with customers, advancing the standardization of sales and system engineering business processes, and working to manage risk from the business negotiation stage through actual project implementation. The Group continues to maintain reserves for losses as necessary. In addition, we are striving to industrialize the system development process in order to strengthen our cost competitiveness. Nevertheless, in spite of these measures, there is a possibility that we may be unable to completely prevent incidences of delayed delivery the occurrence of loss-generating projects.

3) Investment Decisions and Business Restructuring

In the ICT industry, large investments in R&D, capital expenditure, business acquisitions, and business restructuring are necessary to maintain competitiveness. Accordingly, the success or failure of these initiatives has a profound effect on the business results of the Fujitsu Group. When making such investment and restructuring decisions, we give ample consideration to a range of factors such as market trends, customer needs, the superiority of the Group’s own technologies, the financial performance of acquisition candidates and our business portfolio. There is, however, the risk that markets and technologies, as well as acquisition candidates deemed attractive by the Group, may fail to grow as anticipated, or that supply and demand imbalances or price erosion may be more severe than expected. Investment in semiconductor facilities and equipment represents one such area with a high degree of risk. In addition to substantial capital requirements, this field is characterized in particular by short product cycles, major changes in the market landscape and stiff competition from other companies. The Group takes a number of steps to mitigate this risk, including responding to these inherent fluctuations by dividing investment into multiple phases and forging agreements with customers prior to investment. Nonetheless, there is no guarantee that the Group can generate sufficient returns on such investments.

4) Intellectual Property Rights

The Fujitsu Group has accumulated technologies and expertise that help distinguish its products from those of other companies. Legal restrictions in certain regions, however, may impair our ability to fully protect some of the Group’s proprietary technologies, with the result that we could be unable to effectively prevent the manufacture and sale of similar products developed by third parties using the Group’s own intellectual property. Moreover, the creation of comparable or superior technologies by other companies could erode the value of the Group’s intellectual property. The Group has instituted internal policies, including stringent clearance procedures prior to launching new products and services, to ensure that no infringement of other companies’ intellectual property occurs. However, there is the possibility that the Group’s products, services or technologies may be found to infringe on other companies’ intellectual property, and that earnings may be impacted by such consequences as the need to pay for usage rights or cover costs associated with modifying designs. In addition, the Group has previously instituted a program to compensate employees for innovations that they make in the course of their work, and will continue to implement this program in the future in accordance with related laws and regulations. Nevertheless, the Group faces potential risk from lawsuits initiated by employees in regard to compensation for innovation created in the workplace.

5) Human Resources

The growth and profitability of the Fujitsu Group depends heavily on human resources. As such, a major issue for the Group is the ability to recruit, foster, and prevent the attrition of talented technical experts, system engineers, managers and other key personnel. The inability to do so could negatively impact the Group’s growth and profitability.

6) Environment-related Risks
Making contributions to society and protecting the environment are part of the corporate values of the Fujitsu Group, as set forth in the Fujitsu Way. While committed to minimizing environmental burden and preventing environmental pollution in accordance with the Fujitsu Group Environmental Policy, the Group cannot guarantee that environmental pollution will not occur as a result of its operations. Moreover, although we monitor soil and wastewater as well as engage in clean-up activities at former factory sites, this does not mean that pollution will not be found at such sites in the future. In the event that environmental pollution were to occur or be identified, social trust in the Group may weaken, and clean up and other costs could be incurred, which would adversely affect the Group’s earnings.

7) Information Management
In order to safeguard the personal and confidential information of customers, business partners, and the Fujitsu Group itself, the Group has taken such measures as establishing strict regulations, instituting training programs for employees, and providing consultation to business subcontractors. Nevertheless, the Group cannot guarantee that information will not be leaked. In the unlikely event that this should occur, trust in the Fujitsu Group could decline and the Group may be obligated to pay damages to customers.

8) Credit Ratings and Other Factors that Affect the Group’s Credit
In addition to having a major influence on financing, credit ratings by outside institutions serve as reliable sources of information for our customers when they conduct transactions with us. Lower credit ratings caused by failure to meet earnings targets, deteriorating financial conditions and other reasons could influence our ability to secure financing and place the Group at a disadvantage in bidding for projects and in other business dealings.

7. Natural Disasters and Unforeseen Incidents
Natural disasters and other unforeseen situations could have a major impact on the business results and financial standing of the Fujitsu Group. Examples of the potential risks posed are found below.

1) Damage from Earthquakes, Other Natural Disasters and Accidents
The Fujitsu Group has instituted a Business Continuity Plan (BCP) to ensure that even in the event of natural disasters like earthquakes, major floods, or volcanic eruptions, as well as accidents or the outbreak of infectious diseases like new forms of influenza, we can continue to provide a stable flow of high quality, highly reliable products and services, which our customers rely on for their business. As part of this initiative, we have taken steps to make our sites resistant to earthquakes and we conduct regular site inspections, along with disaster readiness drills. Nevertheless, there is a possibility that the Group may be forced to suspend the delivery of products and services to customers or its support to customer information systems in the event an unforeseen natural disaster or accident forces sites to suspend operations, damages to facilities and equipment, or causes interruptions in the supply of electricity or water or disruption to public transportation infrastructure.
We have a well-developed system in place to ensure the integrity and stable operation of critical in-house networks, which are a key element of our business infrastructure. However, the Group cannot guarantee its ability to prevent invasive computer viruses and other disruptions from impeding network operations.

2) Geopolitical Risk
Armed conflicts, terrorism, political instability, currency crises, and other events in nations or regions where the Fujitsu Group operates could have a significant impact on its businesses.

8. Financial Statements
In addition to business and other risks described above, the Group may also be impacted by the following risks related to its Financial Statements.

1) Inventories
Inventories are recorded in the financial statements at acquisition cost. In the event that the net sales value of certain inventories declines below the acquisition cost as of the end of the reporting term, the net sales

value is recorded and the difference between the net sales value and the acquisition cost is recorded as cost of sales. The net sales value of accumulated inventories that remain unsold following an operating cycle is calculated based on estimated future demand and market trends. There is a risk of significant losses in the event that the market environment deteriorates beyond reasonable estimates and the net sales value declines significantly.

2) Property, Plant and Equipment

Depreciation of property, plant and equipment is mainly calculated by the straight-line method based on the estimated useful lives of the respective assets, which vary according to the circumstances of each business. In the future, in cases where assets are no longer in use owing to obsolescence from technological advances, or due to changes in the use of the assets, useful life may be shorter than current estimates. As such, there is a risk that losses may occur.

In addition, there is a risk of asset impairment losses if anticipated cash flow from assets declines as a result of sudden changes in the operating environment that lead to higher rates of idle equipment, lower rates of capacity utilization, or business reorganization.

3) Software

For the depreciation of software intended for commercial sale, we have adopted a method based on projected sales volume over the estimated life of the product. While projected sales volume is calculated based upon reasonable sales plans, one-time losses may occur if unit sales fall short of the original sales plan.

For software used in-house, we utilize the straight-line method based on the estimated useful life of the software. Should actual useful life in the future be less than the original estimate, there is a risk of incidental losses.

4) Goodwill

In terms of goodwill, the straight-line method is used to amortize excess earnings power of businesses acquired, including those acquired by subsidiaries. During the amortization period, incidental losses may occur if the profitability of an acquired business declines or we sell or exit from an acquired business.

5) Marketable Securities

With regard to held-to-maturity securities, valuations are made based on the amortized cost method. For other marketable securities that have a market value, the market value method is used based on the price as of the closing date of the financial period. For securities that do not have market values, the valuations are made utilizing primarily the moving-average method. In regard to other marketable securities that have a market value, the value of such securities may change due to fluctuations in market value and, as a result, net assets may increase or decrease. In addition, when the fair value of other marketable securities decreases significantly, and excepting those cases in which the value is deemed to be recoverable, an impairment loss is posted. In future, should there be a significant decrease in fair value, and such value is not deemed to be recoverable, there is a possibility of impairment losses.

6) Deferred Tax Assets

The amount of deferred tax assets is posted appropriately on our balance sheet taking into account the balance of losses carried forward and other temporary differences. In the event that projected taxable income is higher or lower because of variations in future financial performance, there is a risk that the balance of deferred tax assets may increase or decrease. In addition, in the event that future revisions to tax regulations cause a change in the effective tax rate, there is a risk that the balance of deferred tax assets may increase or decrease.

7) Provision for Product Warranties

To prepare for expenses to cover costs relating to our obligations for the free repair and exchange of products covered under contracted warranty periods, we record at the time of sales a provision, based on past experience, to cover future estimated product repair and exchange costs. The Fujitsu Group is pursuing vigorous quality control measures at the manufacturing, development and procurement stages. However, should product defects exceed estimated levels, there is the possibility that additional expenses may arise.

8) Provision for Losses on Construction Contracts

The Group records a provision for expected losses on contract software development contracts and construction contracts for projects in which the profitability has deteriorated significantly as of the end of the reporting period. In order to prevent the generation of unprofitable projects, the Group is standardizing its business processes and has created specialist organizations to audit projects and mitigate such risks from the time the contracts are won until they are completed. Should project costs increase beyond estimates, however, there is a possibility that additional losses may arise.

9) Retirement Benefit Obligations

Expenses and obligations for employee retirement benefits are calculated according to a variety of actuarial assumptions (discount rate, retirement rate, mortality rate, expected income rate, etc.). Actuarial losses are recognized over the average remaining employee working years. If actual experience differs from these underlying assumptions, or if the underlying assumptions themselves change, there is a possibility that it will affect the amount of the expense or obligation for retirement benefits.

10) Provision for Loss on Repurchase of Computers

A portion of the computers manufactured by the Fujitsu Group are sold to Japan Electronic Computer Co. Ltd. (JECC) and other leasing companies, which lease them to end users. Fujitsu enters into a contract with the leasing companies to repurchase the computers in the future, and at the time of sale a provision is recorded reflecting the expected loss that will be incurred at the time of repurchase. In the event there are changes in usage trends among customers, additions or reductions to the provision may be needed.

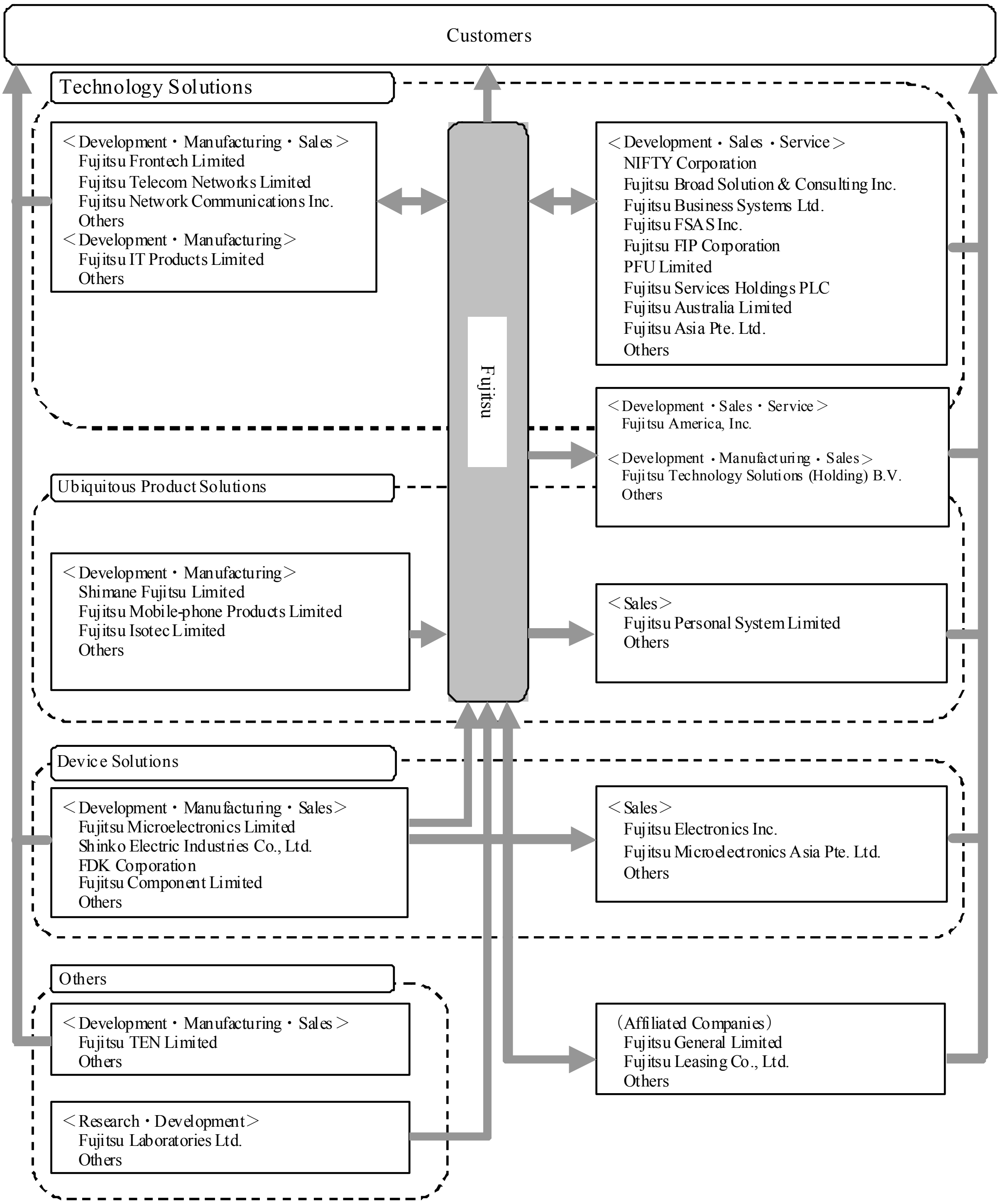
11) Revenue Recognition

The sales of system products (excluding contract software development) are recognized upon acceptance by customers. Sales of personal computers, peripheral equipment, and electronic devices are recognized upon delivery to customers. Sales from contract software development projects are recognized based on the percentage-of-completion method.

In the event that estimated costs exceed estimated revenue, the Group strictly appraises the recoverable value and recognizes unrecoverable value as a loss. Should project costs increase beyond estimates, however, there is a possibility that additional losses may arise.

(2) Relationships between Fujitsu Group Companies

The following chart shows the relationships between Fujitsu Group companies:



Consolidated subsidiaries listed on stock exchanges in Japan are as follows:
Fujitsu Frontech Limited (2nd Section Tokyo Stock Exchange), NIFTY Corporation (2nd Section Tokyo Stock Exchange), Fujitsu Broad Solution & Consulting Inc. (JASDAQ), Shinko Electric Industries Co., Ltd. (1st Section Tokyo Stock Exchange), FDK Corporation (2nd Section Tokyo Stock Exchange), Fujitsu Component Limited (2nd Section Tokyo Stock Exchange)

Note: Fujitsu Business Systems Ltd. was delisted from the 1st Section of the Tokyo Stock Exchange on July 28, 2009 and became a wholly owned consolidated subsidiary through a share exchange on August 1, 2009.

Main Changes in the Status of Group Companies

1. Fujitsu America, Inc.
As part of efforts to strengthen its global business, the Fujitsu Group has reorganized its North American operations. Fujitsu Consulting Holdings Inc., Fujitsu Computer Systems Corporation, and Fujitsu Transaction Solutions Inc. were merged into the holding company Fujitsu North America Holdings, Inc. on April 1, 2009, and the company was subsequently renamed Fujitsu America, Inc.

2. Fujitsu Technology Solutions (Holding) B.V.
Fujitsu Technology Solutions (Holding) B.V. (name changed from Fujitsu Siemens Computers (Holding) B.V. on April 1, 2009) was treated as an equity-method affiliate through fiscal 2008. With the acquisition of the shares held by Siemens AG of Germany, it has been treated as a consolidated subsidiary as of April 1, 2009.

3. Sales and Manufacturing Sites of HDD Business
Fujitsu completed the transfer of its HDD media business to Showa Denko KK on July 1, 2009, and completed the transfer of its HDD drive business to Toshiba Corporation on October 1, 2009. In accordance with the transfers, Fujitsu (Thailand) Co., Ltd. and Fujitsu Computer Products Corporation of the Philippines are no longer consolidated subsidiaries as of October 1, 2009. In addition, Fujitsu Computer Products of America, Inc. and Fujitsu Taiwan Ltd., which were previously HDD sales subsidiaries, are no longer recognized as major subsidiaries.

4. FDK Corporation
FDK Corporation was treated as an equity-method affiliate through fiscal 2008. Fujitsu Limited subscribed to a private placement on May 1, 2009 to raise FDK's capital, making it a consolidated subsidiary.

On April 1, 2010, Fujitsu Limited made PFU Limited a wholly owned consolidated subsidiary through an exchange of shares. In addition, Fujitsu Microelectronics Limited was renamed Fujitsu Semiconductor Limited on April 1, 2010 in order to clarify the nature of the company's business.

Fujitsu Broad Solution & Consulting Inc. is now listed on the Osaka Securities Exchange, JASDAQ market, following the merger between the OSE and JASDAQ on April 1, 2010.

(3) Regarding assumptions for continuing companies
No applicable items.

(4) Significant issues regarding the basis for preparation of consolidated financial reports
Fiscal 2009 (from April 1, 2009 to March 31, 2010)

1) Items regarding the scope of consolidation
This consolidated financial report consolidates the results of 540 major subsidiaries. As for changes in the scope of consolidation for this consolidated accounting year, 90 companies were added and 30 companies were removed. Major additions and subtractions are described below. Since the names of major subsidiary companies are noted on page 55 they are omitted here.

New consolidated subsidiaries as a result of acquisitions or the formation of new companies during the fiscal year: 77 companies
These included Fujitsu Technology Solutions (Holding) B.V. (name changed from Fujitsu Siemens Computers (Holding) B.V. in April 2009) and 35 of its consolidated subsidiaries (at time of business combination on April 1, 2009), FDK Corporation and 14 of its consolidated subsidiaries, and 5 consolidated subsidiaries of Fujitsu Australia Limited.

Changed from unconsolidated subsidiaries to consolidated subsidiaries: 13 companies
These included 6 consolidated subsidiaries of Fujitsu Frontech Limited, and 2 consolidated subsidiaries of Fujitsu Business Systems Ltd.

Subtracted due to liquidation or sale: 16 companies
These included Fujitsu (Thailand) Co., Ltd. and Fujitsu Computer Products Corporation of the Philippines.

Subtracted due to merger: 14 companies
These included the following:

<table>
<tr><th>Prior to Merger</th><th>After Merger</th></tr>
<tr><td>Fujitsu Consulting Holdings Inc. and 1 of its consolidated subsidiaries</td><td>Absorbed by Fujitsu America, Inc. (corporate name changed from Fujitsu Computer Systems Corporation in April 2009)</td></tr>
<tr><td>4 consolidated subsidiaries of Fujitsu Services Holdings PLC</td><td>Absorbed by Fujitsu Technology Solutions (Holding) B.V. (name changed from Fujitsu Siemens Computers (Holding) B.V. in April 2009)</td></tr>
<tr><td>Fujitsu Oita Software Laboratories Ltd.</td><td rowspan="2">Absorbed by Fujitsu Kyushu Systems Limited (corporate name changed from Fujitsu Kyushu System Engineering Limited in April 2009)</td></tr>
<tr><td>Fujitsu Minami-Kyushu System Engineering Limited</td></tr>
<tr><td>Fujitsu FSO Limited</td><td>Absorbed by Fujitsu Advanced Solutions Limited</td></tr>
</table>

2) Subsidiaries accounted for by equity method
Regarding investments in non-consolidated subsidiaries and affiliated companies, they are accounted for by the equity method and the number of companies to which this applies is 20.

Affiliated companies: 20 companies

Major equity-method affiliate companies include: Fujitsu General Ltd., Fujitsu Leasing Co., Ltd., Nippon Oil Information Technology Corporation, CSS Co., Ltd., 8 equity-method affiliates of Fujitsu Services Holdings PLC

Regarding changes in equity-method companies for this consolidated accounting year, a total of 5 companies were added and 5 others removed. The companies removed included Fujitsu Technology Solutions (Holding) B.V. (name changed from Fujitsu Siemens Computers (Holding) B.V. in April 2009) and FDK Corporation.

(5) Significant Changes to Preparation of Financial Statements

Changes to Accounting Standards

<table>
<tr><th>FY2008
(April 1, 2008 – March 31, 2009)</th><th>FY2009
(April 1, 2009 – March 31, 2010)</th></tr>
<tr><td>――――――</td><td>Adoption of Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)
From the current fiscal year, the company has adopted Partial Amendments to Accounting Standard for Retirement Benefits (Part 3) (Accounting Standards Board of Japan, Statement No. 19, dated July 31, 2008).

This change will have no effect on the company’s operating income or income before income taxes and minority interests.</td></tr>
<tr><td>Adoption of Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements
We have adopted the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (Accounting Standards Board of Japan, Practical Issues Task Force, No. 18 dated May 17, 2006) from this fiscal year and have made revisions to the financial statements accordingly. The effect of this accounting change on operating income and income before taxes and minority interests for the fiscal year is insignificant.
Outside Japan, starting with Fujitsu Services Holdings PLC in the UK (and its subsidiaries) in fiscal 2005, several subsidiaries such as those in Australia and Singapore had already adopted International Financial Reporting Standards (IFRS). Starting with this fiscal year, however, these standards are applied to all the Group’s subsidiaries outside Japan. For such subsidiaries that applied IFRS for the first time from this fiscal year, accounting procedure changes reflecting the change in accounting standards have been applied to previous years, resulting in a 1,585 million yen decrease in retained earnings at the beginning of the first-quarter consolidated accounting period.

A note regarding the effect of this change on segment information is included on page 7.

Changes in Accounting Standards for Completed Construction Revenue and Costs
We had already applied the percentage-of-completion method as the standard for accounting for revenue from software development contracts, a core business of the Fujitsu Group, while we had applied the completed contract method as the standard for accounting for revenue from contract construction. For contract construction work as well, for contracts in progress at the start of this year for which we are accurately able to confirm the degree of completion, we have applied the percentage-of-completion method beginning with this fiscal year. This reflects the early adoption of the “Accounting Standard for Construction Contracts” (Accounting Standards Board of Japan, Statement No. 15 dated December 27, 2007) and “Guidance on Accounting Standard for Construction Contracts” (Accounting Standards Board of Japan, Guidance No. 18</td><td>――――――

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</table>

dated December 27, 2007) allowing the application of the percentage-of-completion method prior to the fiscal year beginning April 1, 2009. The effect of this accounting change on net sales, operating income, and income before income taxes and minority interests for the fiscal year is insignificant. A note regarding the effect of this change on segment information is included on page 7. In addition, beginning with this accounting period, we are disclosing under "provision for construction contract losses" the estimated amount of future losses relating to software development projects whose profitability potentially has deteriorated. In the previous fiscal year's consolidated accounts, this estimated loss (6,135 million yen) was mainly included under "other current liabilities" and "notes and accounts payable, trade."	

(6) Notes to the Consolidated Financial Statements

① Notes to the Consolidated Statements of Operations, Consolidated Statements of Changes in Net Assets, Consolidated Statements of Cash Flows

(Relating to Consolidated Statements of Operations)

Notes	FY 2008 (4/1/2008 – 3/31/2009)	FY 2009 (4/1/2009 – 3/31/2010)
1. Gain on sale of investment securities	Refers mainly to sale of shares in Yokohama TV Corporation.	Refers mainly to the sale of shares in FANUC Ltd. in response to the company's solicitation to buy its own shares.
2. Gain on business transfer	――――――	Refers mainly to the transfer of the communications device (SAW device, etc.) business.
3. Business restructuring expenses	This includes 37,017 million yen in losses on the disposal of assets and settlement of liabilities related to the planned transfer of the HDD business, and settlement costs related to pension assets of transferred employees; 11,359 million yen in disposal expenses for facilities that are scheduled to be shut down during the next consolidated fiscal year in conjunction with the reorganization of the LSI wafer production facilities; and restructuring expenses of 5,822 million yen related to the component business and businesses outside Japan. An impairment loss of 16,269 million yen related to the HDD business is included in the above business restructuring expenses.	Refers mainly to 21,105 million yen in expenses for the reorganization of manufacturing plants for the LSI device business and the reassignment of personnel due to the streamlining of the business's administrative operations, along with 26,301 million yen in expenses related to workforce streamlining in the UK/Ireland region, Germany, the Netherlands and other countries in the Continental Europe region in relation to business restructuring among European subsidiaries.
4. Impairment loss	In regard to the LSI business, profitability deteriorated significantly due to a steep decline in customer demand for electronics, particularly digital home electronics and car electronics. Since a recovery in the business climate is not expected in the near term, the estimated future return from the business was cautiously reappraised. At the same time, a shift has been made in the business model to outsource production of 40nm generation advanced technology products to outside foundries. In accordance, the asset grouping for LSI-related assets was changed, for those LSI-related assets whose future usage plans have changed, the book	Refers mainly to idle assets.

Notes	FY 2008 (4/1/2008 – 3/31/2009)	FY 2009 (4/1/2009 – 3/31/2010)
	value of the asset group has been written down to the recoverable value. As a result, an impairment loss of 49,944 million yen was recognized. In addition, there was an impairment loss of 8,979 million yen in relation to assets of the electronic components business, the profitability of which has declined and is unlikely to recover in the short term, and the assets of other businesses such as leased real estate, whose value was reduced to the estimated recoverable value due to a change in business plans. In relation to the HDD business, which will be transferred, the company wrote down the book value of the assets to the recoverable value and recognized the reduction of 16,269 million yen as business restructuring expenses included under other expenses. Impairment losses stated above consisted of 41,250 million yen for machinery and equipment, 18,256 million yen for buildings, 9,558 million yen for tools, furniture and fixtures, 2,850 million yen for land, 2,215 million yen for construction in progress and 1,063 million yen for the other assets. The recoverable value is an estimate based on the net proceeds from sale or use of the assets. The net proceeds from sale exclude the estimated disposal expenses from the real-estate appraisal value or estimated disposal value, and for assets whose sale is considered unfeasible, the net proceeds from sale is zero. For the estimated net proceeds from use, 5% is used to discount cash flow for the assets related to advanced LSI business. For the electronic components business assets, however, cash flows are expected to be negative and thus were not discounted.	
5. Loss on revaluation of investment securities	Refers principally to a significant decline in the market share price of Spansion Inc. of the US.	――――――

(Consolidated Statements of Changes in Net Assets)

Notes	FY 2008 (4/1/2008 – 3/31/2009)	FY 2009 (4/1/2009 – 3/31/2010)
1. Acquisition of treasury stock		(Additional Information) The company acquired a part of the stock it used to make an allotment to shareholders of Fujitsu Business Systems Ltd., which was converted into a wholly owned subsidiary through an exchange of shares.
2. Sale of treasury stock		The company carried out an exchange of shares with the shareholders of Fujitsu Business Systems Ltd. in order to convert it into a wholly owned subsidiary.

(Consolidated Statements of Cash Flows)

Notes	FY 2008 (4/1/2008 – 3/31/2009)	FY 2009 (4/1/2009 – 3/31/2010)
1. Cash flows from operating activities Impairment loss	Business restructuring expenses of 16,269 million yen related to the HDD business are included in the impairment loss of 75,192 million yen.	————————
2. Cash flows from investing activities Income from the acquisition of subsidiaries' stock resulting in change in scope of consolidation	————————	Net proceeds of 42,912 million yen from the acquisition of shares of Fujitsu Technology Solutions (Holding) B.V. (FTS); 7,504 million yen from acquisition of shares of FDK Corporation. The following breakdown provides details on the amount of assets and liabilities resulting from the acquisition of shares of FTS, as of the date of its consolidation, along with the acquisition cost of the FTS shares, and the net proceeds generated from the FTS acquisition. (million yen) Current assets 276,694 Non-current assets 79,047 Goodwill 62,468 Current liabilities (256,679) Long-term liabilities (101,797) Minority interests (193) Acquired net assets 59,540 Investment value using equity method 4,974 Share acquisition cost 54,566 Share acquisition cost (54,566) Expenses not recognized in current year 788 Expenses for share acquisition in current year (53,778) Cash and cash equivalents of FTS 96,690 Net proceeds from acquisition 42,912

Notes	FY 2008 (4/1/2008 – 3/31/2009)	FY 2009 (4/1/2009 – 3/31/2010)
3. Cash flows from investing activities Proceeds from transfer of business	———————	Proceeds from transfer of the HDD business (drive and media businesses). The breakdown below shows the decline in assets and liabilities resulting from the HDD business transfer, along with consideration for the transfer and the net proceeds for the current fiscal year. (million yen) Current assets 44,152 Non-current assets 15,645 Current liabilities (28,231) Long-term liabilities (3,721) Decline in net assets as result of business transfer 27,845 Consideration for transfer 27,845 Consideration for transfer 27,845 Proceeds not recognized in current year (4,214) Proceeds from business transfer in current year 23,631 Cash and cash equivalents of transferred subsidiaries (8,142) Net proceeds from business transfer 15,489
4. Cash flows from financing activities Proceeds from sales of treasury stock		(Additional Information) In fiscal 2008, this item was included in "Other, net" (proceeds of 155 million yen), but in this fiscal year, it has been itemized separately.
5. Cash flows from financing activities Outflows for acquisition of treasury stock		In fiscal 2008, this item was included in "Other, net" (outflow of 1,492 million yen), but in this fiscal year, it has been itemized separately.

(7) Consolidated Tax Effect Accounting

Significant components of deferred tax assets and liabilities.

(Billion Yen)

	FY 2009 (End of March 2010)	FY 2008 (End of March 2009)
Deferred tax assets:		
Accrued retirement benefits	152.9	140.1
Tax loss carryforwards	142.6	165.9
Excess of depreciation and amortization and impairment loss	64.6	76.4
Accrued bonus	41.9	40.0
Inventories	23.9	25.0
Revaluation loss on investment securities	12.7	13.3
Provision for loss on repurchase of computers	8.8	9.5
Provision for product warranties	4.9	5.3
Intercompany profit	2.9	2.5
Other	66.5	54.7
Gross deferred tax assets	522.2	533.1
Valuation allowance	(261.0)	(284.9)
Total deferred tax assets	261.1	248.2
Deferred tax liabilities:		
Gains from establishment of stock holding trust for retirement benefit plan	(110.6)	(110.6)
Unrealized gains on securities	(10.5)	(35.6)
Tax allowable reserves	(3.4)	(5.4)
Other	(7.4)	(7.5)
Total deferred tax liabilities	(132.0)	(159.2)
Net deferred tax assets	129.0	89.0

Note: Excess of depreciation and amortization and impairment loss includes a revaluation loss on idle lands.

(8) Investment Securities

Other investment securities (Billion Yen)

TYPE	FY 2009 (End of March 2010)			FY 2008 (End of March 2009)		
	Recorded on balance sheet	Acquisition Cost	Difference	Recorded on balance sheet	Acquisition Cost	Difference
Shareholdings	70.1	43.2	26.9	132.7	44.9	87.8
Bonds	27.9	27.7	0.1	42.4	43.0	(0.6)
Other securities	110.6	111.6	(0.9)	4.9	5.9	(1.0)
Total	208.7	182.6	26.1	180.1	93.9	86.1

From the current year, negotiable deposits are included in the “Other securities” item, in accordance with the “Accounting Standard for Financial Instruments and its Implementation Guidance” (Accounting Standards Board of Japan, Statement No. 10, dated March 10, 2008) and “Guidance on Disclosures about Fair Value of Financial Instruments” (Accounting Standards Board of Japan, Guidance No. 19, March 10, 2008). As of the end of the current year, negotiable deposits recorded on the consolidated balance sheet totaled 103.5 billion yen.

(9) Retirement Benefit Plan

a. Japan

(1) Itemization of projected benefit obligation, etc.

(Billion Yen)

	FY 2009 as of 3/31/10	FY 2008 as of 3/31/09
i. Projected benefit obligation	(1,268.6)	(1,198.3)
ii. Plan assets	934.6	791.1
[pension trust asset portion]	[58.8]	[39.5]
iii. Projected benefit obligation in excess of plan assets (i)+(ii)	(333.9)	(407.1)
iv. Unrecognized net obligation at transition	-	16.4
v. Unrecognized actuarial loss	378.6	492.9
vi. Unrecognized prior service cost (reduced obligation)*	(102.0)	(120.7)
vii. Prepaid pension cost	(57.1)	(72.5)
viii. Accrued retirement benefits …(iii)+(iv)+(v)+(vi)+(vii)	(114.5)	(91.0)

* With respect to the Fujitsu Corporate Pension Fund in which Fujitsu and its consolidated domestic subsidiaries participate, due to a partial revision of the company's pension system, prior service costs (reduction of obligation) have arisen.

(2) Components of net periodic benefit cost

(Billion Yen)

	FY 2009 as of 3/31/10	FY 2008 as of 3/31/09
i. Service cost	39.1	38.2
ii. Interest cost	30.1	28.9
iii. Expected return on plan assets	(23.2)	(27.2)
iv. Amortization of net obligation at transition	16.2	16.7
v. Amortization of actuarial loss	42.9	26.4
vi. Amortization of prior service cost	(18.5)	(19.0)
vii. Net periodic benefit cost …(i)+(ii)+(iii)+(iv)+(v)+(vi)	86.7	63.9
viii. Loss on termination of retirement benefit plan	(0.0)	-
ix. Total …(vii)+(viii)	86.6	63.9

(Fiscal 2009)
In addition to the above costs, premium severance pay of 15.9 billion yen was recognized as expenses in the year.
(Fiscal 2008)
In addition to the above costs, premium severance pay of 8.0 billion yen was recognized as expenses in the year.

(3) Basis for Tabulating Projected Benefit Obligation

i. Discount rate 2.5% (at March 31, 2010)
2.5% (at March 31, 2009)

b. Outside Japan

(1) Itemization of projected benefit obligation, etc.

(Billion Yen)

	FY 2009 as of 3/31/10	FY 2008 as of 3/31/09
i. Projected benefit obligation	(592.1)	(354.0)
ii. Plan assets	390.2	296.4
iii. Projected benefit obligation in excess of plan assets …(i)+(ii)	(201.8)	(57.6)
iv. Unrecognized actuarial loss	110.0	11.5
v. Unrecognized prior service cost	(0.0)	(0.0)
vi. Accrued retirement benefits …(iii)+(iv)+(v)	(91.8)	(46.1)

(2) Components of net periodic benefit cost

(Billion Yen)

	FY 2009 as of 3/31/10	FY 2008 as of 3/31/09
i. Service cost	8.3	8.8
ii. Interest cost	28.7	32.3
iii. Expected return on plan assets	(24.8)	(33.3)
iv. Amortization of actuarial loss *	(0.1)	(0.3)
v. Net periodic benefit cost …(i)+(ii)+(iii)+(iv)	12.2	7.5
vi. Loss on termination of retirement benefits plan	(0.0)	-
vii. Total (v)+(vi)	12.2	7.5

* Subsidiaries outside Japan, particularly Fujitsu Services Holdings PLC, which provides a defined benefit pension plan, adopt the International Financial Reporting Standards (IFRS), and apply the corridor approach to amortization of actuarial gain and losses.

(3) Basis for Tabulating Projected Benefit Obligation

i. Discount rate

Mainly 5.6% (at March 31, 2010)
Mainly 6.9% (at March 31, 2009)

(10) Business Combinations

1. Acquisitions via Purchase Method

(Conversion of Fujitsu Technology Solutions (Holding) B. V. into a Consolidated Subsidiary of Fujitsu Limited)

(1) Name and Business Description of the Acquired Business; Principal Reasons for Carrying Out the Business Combination; Date of the Business Combination; Legal Form of the Business Combination and the Name of the Business Subsequent to the Combination; Percentage of Voting Rights Acquired

A. Name and Business Description of the Acquired Business

Name of acquired business:	Fujitsu Siemens Computers (Holding) B.V.
Business description:	Development, manufacture, sale and maintenance of information systems

B. Principal Reasons for Carrying Out the Business Combination
Fujitsu Limited and Siemens AG of Germany combined their respective European information systems businesses to establish Fujitsu Siemens Computers on October 1, 1999 as a European joint venture to develop, manufacture, sell, and provide maintenance for information systems. In recent years, the competitive environment in the global ICT industry has changed, and new business opportunities have emerged in infrastructure services and other areas of the market. In consideration of these factors, Fujitsu decided to convert the company into a consolidated subsidiary (renamed Fujitsu Technology Solutions (Holding) B.V.). The conversion creates a new base of operations in Germany, the largest European market for ICT, and will help the Fujitsu Group accelerate its global product strategies. In the services area, Fujitsu Technology Solutions will strengthen collaboration with Fujitsu Services Holdings PLC, the group's European services company, to offer new value-added services. This will help the group exploit growth opportunities in the infrastructure services market, with the aim of improving overall profit margins for business outside Japan.

C. Date of the Business Combination
April 1, 2009

D. Legal Form of the Business Combination and the Name of the Business Subsequent to the Combination
Legal form of the business combination: Acquisition of shares
Name of business subsequent to the combination: Fujitsu Technology Solutions (Holding) B.V.

E. Percentage of Voting Rights Acquired

・Prior to the acquisition	50%
・Subsequent to the acquisition	100%

(2) Period for Which the Acquired Company's Financial Results Are Included in Consolidated Results
April 1, 2009 – March 31, 2010

(3) Acquisition Costs and Breakdown
Acquisition cost: 54,566 million yen (Cash: 53,740 million yen; Related costs: 826 million yen)

(4) Amount of Goodwill; Reason for Recognition; Amortization Method and Period
Amount of Goodwill: 62,468 million yen

Reason for Recognition: The acquisition cost exceeded the fair value of the net assets of the acquired company at the time of the business combination, and the difference between these values is recognized as goodwill.
Amortization Method, Period: Straight-line method over 10 years

(5) Major Assets and Liabilities Assumed in Business Combination

Current assets	276,694 million yen
Non-current assets	79,047 million yen
Total Assets:	355,741 million yen
Current liabilities	256,679 million yen
Long-term liabilities	101,797 million yen
Total liabilities	358,476 million yen

(6) Amount and Account for Part of Acquisition Cost Expensed as R&D Costs, etc.
Selling and general administrative expenses 4,639 million yen

(Conversion of FDK Corporation into a Consolidated Subsidiary through Subscription to Private Placement by Fujitsu Limited)

(1) Name and Business Description of the Acquired Business; Principal Reasons for Carrying Out the Business Combination; Date of the Business Combination; Legal Form of the Business Combination and the Name of the Business Subsequent to the Combination; Percentage of Voting Rights Acquired

(1) Name and Description of the Business of the Acquired Company; Principal Reasons for Carrying Out the Business Combination; Date of the Business Combination; Legal Form of the Business Combination; Percentage of Voting Rights Acquired

A. Name and Business Description of the Acquired Business
Name of acquired business: FDK Corporation
Business description: Manufacture and sale of electronic components, batteries and related products

B. Principal Reasons for Carrying Out the Business Combination
To respond to the changes in the marketplace, FDK (listed on second section, Tokyo Stock Exchange) reformed its business structure in recent years with the aim of leveraging its materials technologies to strengthen its products lineup, particularly the power systems and high frequency device. The sharp downturn in worldwide economic conditions starting from the second half of fiscal 2008, however, had a severe impact on the company's business. As a result of recording a large loss in the third quarter of fiscal 2008, FDK's liabilities exceeded its assets. Fujitsu Limited, in addition to its transactions with FDK, such as the purchase of its products, provides financial support to the company. As FDK's major shareholder, creditor and customer, Fujitsu accordingly believed that, from the standpoint of maintaining Fujitsu's corporate value, the best option was to make FDK a consolidated subsidiary and eliminate the adverse effect on FDK's business activities that might have occurred had its capital deficiency continued. By Fujitsu subscribing to a third-party placement to increase the capital of FDK, FDK will be in a stronger position to successfully implement its structural reforms.

C. Date of the Business Combination
May 1, 2009

D. Legal Form of the Business Combination and the Name of the Business Subsequent to the Combination
Legal form of the business combination: Acquisition of shares
Name of business subsequent to the combination: FDK Corporation

E. Percentage of Voting Rights Acquired

- Prior to acquisition 39.80%
- Subsequent to acquisition 64.64%

(2) Period for Which the Acquired Company's Financial Results Are Included in Consolidated Results
April 1, 2009 – March 31, 2010

(3) Acquisition Cost and Breakdown
Acquisition cost: 11,000 million yen (Cash: 11,000 million yen)

(4) Amount of Goodwill; Reason for Recognition; Amortization Method and Period
Amount of Goodwill: 2,914 million yen
Reason for Recognition: The acquisition cost exceeded the fair value of the net assets of the acquired company at the time of the business combination, and the difference between these values is recognized as goodwill.
Amortization Method, Period: Straight-line method over 5 years

(5) Major Assets and Liabilities Assumed in Business Combination

Current assets	29,943 million yen
Non-current assets	18,432 million yen
Total Assets:	48,375 million yen
Current liabilities	46,113 million yen
Long-term liabilities	14,078 million yen
Total liabilities	60,191 million yen

2. Transactions under Common Control

(Conversion of Consolidated Subsidiary into Wholly Owned Subsidiary of Fujitsu Limited through Exchange of Shares)

(1) Name of Combined Companies and Business Description; Legal Form of the Business Combination and the Name of the Business Subsequent to the Combination; Purpose and Overview of Transaction

A. Name of Combined Companies and Business Description
Name of combined companies: Fujitsu Limited and consolidated subsidiary Fujitsu Business Systems Ltd.
Business description: Fujitsu Business Systems Ltd.
Comprehensive ICT services, including consulting, network construction, software development, and system operation, maintenance and construction

B. Legal Form of the Business Combination and the Name of the Business Subsequent to the Combination
Legal form of the business combination: Exchange of shares
Name subsequent to the combination: No change in corporate name

C. Purpose and Overview of Transaction

The purpose of the transaction is to strengthen the Fujitsu Group's ability to provide technology solutions, including platforms and ICT services, to medium-size businesses in Japan as well as to serve diverse customer needs in a timely manner. On August 1, 2009, common shares of Fujitsu Business Systems held by its shareholders were transferred to Fujitsu Limited in exchange for an allotment of Fujitsu shares. This exchange of shares converted Fujitsu Business Systems (listed on first section, Tokyo Stock Exchange) into a wholly owned subsidiary. Fujitsu Business Systems was delisted on July 28, 2009 in preparation for the transfer.

(2) Overview of Accounting Procedure

This exchange of shares was a transaction with minority shareholders, and therefore the value of the equity representing the acquired shares of the subsidiary was subtracted from Fujitsu's minority interests, and the difference between this amount and the additional investment was recognized as goodwill.

(3) Cost of Acquiring Shares in Subsidiary

A. Acquisition cost and breakdown

Acquisition cost: 21,464 million yen (Value of Fujitsu shares: 21,449 million yen; Direct acquisition costs: 15 million yen; All shares used in exchange were treasury stock)

B. Share exchange ratio; method of exchange ratio calculation; number and value of exchanged shares

Share exchange ratio: One common share of Fujitsu Business Systems stock exchanged for 3.50 common shares of Fujitsu stock

Method of ratio calculation: The ratio was decided between the companies based on a careful consideration of the results of third parties' calculations, analysis, and advice

Number, value of exchanged shares: 42,983,290 shares valued at 21,449 million yen

(4) Amount of Negative Goodwill; Reason for Recognition; Amortization Method and Period

Amount of Negative Goodwill: 6,816 million yen

Reason for Recognition: The acquisition cost exceeded the fair value of the net assets of the acquired company at the time of the business combination, and the difference between these values is recognized as goodwill.

Amortization Method, Period: Straight-line method over 5 years

3. Separation of Businesses

(Transfer of Hard Disk Drive (HDD) Businesses)

(1) Names of Transferees; Description of Separated Businesses; Reason for Business Separations; Date of Business Separations; Overview of the Business Separations including their Legal Form

A. Name of Transferees

HDD drive business: Toshiba Corporation

HDD media business: Showa Denko K.K.

B. Description of Separated Businesses

Business description: Design, development, manufacture and sales of HDDs

C. Reason for Business Separations

The hard disk drive market continued to be impacted by severe business conditions, including a worldwide intensification of price competition and a contraction of overall demand. Fujitsu decided to carry out these business separations based on its judgment that the respective transferees of the businesses, through the integration of the technical expertise and developmental capabilities accumulated by Fujitsu with their own technologies, would be better able to compete in the current severe business environment and thus support and grow these operations.

D. Date of the Business Separations

HDD drive business:	October 1, 2009
HDD media business:	July 1, 2009

E. Overview of the Business Separations including their Legal Form

HDD drive business:

Fujitsu established Toshiba Storage Device Corporation to prepare for the transfer of the HDD drive business. On October 1, 2009, Fujitsu carried out a simple separation-type corporate split and completed the transfer of all rights and obligations in the drive business to Toshiba Storage Device, and the transfer of Toshiba Storage Device shares to Toshiba. In addition, a new company established out of the HDD-related business of Yamagata Fujitsu Limited, along with Fujitsu's HDD manufacturing subsidiaries, Fujitsu Computer Products Corporation of the Philippines and Fujitsu (Thailand) Co., Ltd., became subsidiaries of Toshiba Storage Device. Fujitsu's sales and marketing offices outside Japan, with the exception of some offices in certain regions, were integrated into Toshiba's overseas business operations. To facilitate the transfer, Fujitsu will hold a stake of 19.9% in Toshiba Storage Device until the end of December 2010, after which it will become a wholly owned subsidiary of Toshiba.

HDD media business:

Fujitsu established a new company, Showa Denko HD Yamagata K.K., to succeed the HDD media business of Yamagata Fujitsu Limited. All of the shares in the new company were transferred to Showa Denko.

(2) Overview of Accounting Procedure

A. Profit/loss from transfers

There is no difference between the proceeds from the transfers and the net assets calculated by the appropriate book value of the assets and liabilities of the businesses prior to the transfers.

B. Appropriate book value of assets and liabilities of the businesses

Current assets	44,152 million yen
Non-current assets	15,645 million yen
Total Assets:	59,797 million yen
Current liabilities	28,231 million yen
Long-term liabilities	3,721 million yen
Total liabilities	31,952 million yen

C. Name of segment businesses were included in

Ubiquitous Product Solutions

D. Overview of sales, profit/loss of separated businesses included in consolidated results for current year

Net sales:	82,228 million yen
Operating loss:	9,793 million yen

Net sales included inter-segment sales of 2,331 million yen.

(11) Consolidated Per Share Data

(Yen)

	FY2009 4/1/09-3/31/10	FY2008 4/1/08-3/31/09
Net assets per share	386.79	362.30
Earnings (net loss) per share	45.21	-54.35
Diluted earnings per share	42.17	-

Note 1: With regard to diluted earnings per share, even though residual shares exist, they are not listed due to the net loss on earnings per share.

Note 2: The calculations basis for earnings (net loss) per share and diluted earnings per share is as follows.

(Million Yen)

	FY2009 4/1/09-3/31/10	FY2008 4/1/08-3/31/09
Earnings (net loss) per share		
Net income (net loss)	93,085	-112,388
Deduction from net income	-	-
Net income (net loss) for common share	93,085	-112,388
Average number of common shares outstanding (thousand shares)	2,058,748	2,067,807
Diluted earnings per share		
Adjustment for net income	3,101	-
[Adjustment related to dilutive securities issued by subsidiaries and affiliates]	[-62]	[-]
[Corporate bond costs (after tax adjustment)]	[3,163]	[-]
Increase in number of common shares (thousand shares)	222,222	-
[Share warrants (thousand shares)]	[222,222]	[-]

Note 3: The calculation basis for net assets per share is as follows.

(Million Yen)

	at March 31, 2010	at March 31, 2009
Net assets	948,373	925,602
Deduction from net assets	149,711	176,661
[Share purchase warrants]	[53]	[26]
[Minority interests]	[149,658]	[176,635]
Net assets for common shares	798,662	748,941
Number of common shares used to calculate owners' equity per share (thousand shares)	2,064,838	2,067,195

(12) Material Subsequent Events

There are no events.

(Omission of Disclosures)

We have omitted disclosures concerning the following items based on our judgment that the information is not material to the financial results:

- Lease transactions
- Related party transactions
- Financial instruments
- Derivative contracts
- Stock options
- Leased properties